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OFFICE OF LOGISTICS
PROCUREMENT NOTE NO. 44

3 SEP 1970

DISCLOSURE OF FOREIGN INTEREST IN
UNITED STATES DOMESTIC CONCERN

1. For the second time in its history, the Agency recently found itself unable to continue contractual relations with an American industrial concern. This was because foreign interests had acquired a financial equity and, consequently, a degree of control capability over the American firm. The resolution was traumatic from a variety of standpoints.

2. In view of the foregoing, Agency contracting officers will, henceforth, advise the Director of Logistics (via the PMS/OL) where any Agency contractor is known to have a foreign interest involved in its affairs (via financial equity or other control characteristics).

3. A new clause has been developed for inclusion in the General Provisions (see attached) requiring Agency contractors to advise the contracting officer when the contractor becomes involved in a control manner (fiscal or otherwise) with any foreign interest.

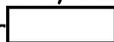


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John F. Blake
Director of Logistics

Att.

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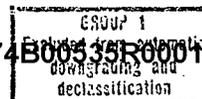
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Article 39 - New Article

"Disclosure of Foreign Interest in United States Domestic Concern"

It shall be a condition of this contract that at any time during its effective period, the contractor shall disclose to the contracting officer any interest of a control nature (financial or otherwise) in the contractor by any foreign source whatsoever. This shall also be a condition precedent to the execution of the contract.